

Press release

Reykjavík, 18 August 2017

## KEA HOTELS SALES PROCESS CONCLUDED

Private equity fund Horn II slhf. along with private investment companies Tröllahvönn ehf. and Selen ehf. have today finalized the sale of all shares in Keahotels ehf. The Buyer, K Acquisition ehf., is a private investment company owned by Alaska-based real estate company JL Properties (25%), Alaska-based asset management company Pt Capital Advisors (50%), which is a subsidiary of Pt Capital, LLC, as well as the aforementioned Tröllahvönn (25%). Tröllahvönn previously held a 36% share in Keahotels and will with this transaction re-invest 25%. The new owners are not planning any immediate changes to the Company and Páll L. Sigurjónsson will remain as Keahotels Managing Director.

Keahotels is the third largest hotel chain in Iceland with 624 rooms in 8 hotels located in Akureyri, at Lake Mývatn and in central Reykjavík. The hotels are: Apótek Hotel, Hotel Borg, Hotel Gígur, Hotel KEA, Hotel Nordurland, Reykjavík Lights, Skuggi Hotel and Storm Hotel. The Company is furthermore scheduled to open a new 104 room hotel in the Reykjavik harbor area in 2018. The turnover of Keahotels exceeded ISK 4bn in 2016 and the number of staff is around 300 in the high season.

Íslandsbanki managed the sales process on behalf of Keahotels and acted as advisor to the sellers. Legal advisory to the sellers was provided by LOGOS. Íslensk Verðbréf and Fjeldsted & Blöndal acted as advisors to the buyers.

All condition precedents stipulated in the Share Purchase Agreement, which was signed in July, have been met and the new owners have assumed control of the Company as of today, 18 August 2017.

*“We are excited to announce our acquisition of Keahotels, one of Iceland’s premier hotel operating companies. The Company boasts a near 30 year history of successful operations and has through recent expansions grown to become Iceland’s third largest hotel chain. The Company has earned a stellar reputation for its quality guest services and modern design hotels. We believe Keahotels are well positioned for the future growth and consolidation opportunities available in the Icelandic tourism sector.”* said **John Rubini, Chairman and CEO, JL Properties**

*“Iceland is a remarkable place to invest and Pt Capital is excited about partnering with Alaskans and Icelanders to grow Keahotels. The tourism sector in Iceland has seen immense growth and we look forward to focusing on our customers, employees, and other stakeholders to continue the stellar Keahotels legacy.”* said **Hugh Short, Chairman and CEO, Pt Capital**

*“It has been very rewarding to participate in the development of Keahotels and the rapidly expanding Icelandic tourism sector in the past years. This transaction whereby strong international investors acquire a controlling share in the Company demonstrates that there are many opportunities for growth and consolidation in the sector. Our re-investment moreover signals our strong faith in the future of the Company. As we extend our thanks to Horn II for a great partnership we welcome new shareholders to the group and look forward to working with them in strengthening the Company even further.”* said **Kristján Grétarsson Chairman of the Board of Keahotels**



*“It has been a great pleasure to contribute to Keahotels growth and prosperity in the past three years. The Company has during this time significantly expanded its operations to become one of the largest hotel chains in Iceland. On behalf of all of us here at Horn we would like to extend our gratitude to the board and staff of Keahotels for a great cooperation. We are confident that the Company will continue to thrive in the coming years.”* said **the Managing Directors at Horni II**

#### **About JL Properties:**

JL Properties Incorporated, led by founder and CEO Jonathan Rubini, is Alaska’s leading real estate development and investment firm with a portfolio exceeding USD \$2 billion in market value. JL primary market is its home state Alaska with additional developments in Utah, Georgia and Florida. The Company’s portfolio consists of both commercial and residential housing. The Keahotels transaction marks JL’s first acquisition in Iceland.

#### **About Pt Capital Advisors:**

Pt Capital Advisors, LLC is a subsidiary of Pt Capital, LLC, an Arctic-focused asset manager headquartered in Anchorage, Alaska. The Pt family of companies, led by Chairman and CEO Hugh Short, was founded in 2013. The acquisition of Keahotels is Pt Capital Advisors’ second investment in Iceland, having previously acquired a majority stake in telecommunications company Nova in March 2017.

#### ***Disclosure***

*Pt Capital Advisors, LLC is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). The registration with the SEC does not imply a certain level of skill or training, nor does it imply endorsement by the SEC. This communication should not be construed as an investment advice, offer to sell or a solicitation of an offer to buy any securities or investment advisory services, and is intended for informational purposes only. Any offer will be made solely pursuant to a Private Placement Memorandum and Subscription Agreement (“Offering Documents”) to qualified offerees. This communication in whole or in part will not form the basis of and should not be relied upon in connection with any investment in any fund. To the extent that statements made in this document summarize provisions of the Offering Documents, they are qualified in their entirety by the terms of such Offering Documents. A copy of the Offering Documents must be reviewed and accepted prior to making a decision to invest in any fund. An investment in any fund may result in loss to an investor. Interests in Pt Capital’s private funds are not offered or sold in any jurisdiction in which such offer, solicitation or sale would be unlawful, until the requirements of the laws of such jurisdiction have been satisfied.*

#### **About Tröllahvönn:**

Tröllahvönn is owned by Kristján Grétarsson, Fannar Ólafsson, Andri Gunnarsson and Thórður H. Kolbeinsson. Tröllahvönn has been a shareholder in Keahotels since 2012.